

ROBERT P. CASEY, JR.

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United States Senate

WASHINGTON, DC 20540

June 7, 2016

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
Ariel Rios Building Mail Code: 1101A
1200 Pennsylvania Avenue NW
Washington, DC 20460

RE: Petition for reconsideration in docket EPA-HQ-OAR-2005-0161

Dear Madam Administrator:

I write in support of Monroe Energy's petition for reconsideration to change the point of obligation under the Renewable Fuel Standard (RFS) and to request information on how EPA plans to address this issue over the next few months. I support the RFS as I believe we need to invest in more domestic renewable fuel production and the next generation of biofuels such as cellulosic ethanol. However, I also believe that we have an unsustainable and inefficient system for ensuring the motor fuels market is meeting the RFS.

As you know, merchant refiners that sell unblended products to wholesale marketers do not produce their own Renewable Identification Number (RIN) credits by blending in renewable fuels. Instead, they must buy the credits to satisfy the mandate. In the last few years, RIN prices have increased significantly and merchant refiners have had to acquire RINs at considerable cost to their bottom line. As EPA has noted, despite the increase in RIN prices, significant expansion in distribution infrastructure for higher ethanol blends is not happening. The RIN market is not operating as EPA intended and it is time to revisit its structure in a transparent process that is subject to public notice and comment.

Thus, I support Monroe Energy's petition for reconsideration. EPA should move the point of obligation from importers and refiners to the terminal rack, a point in the supply chain through which all fuel passes, from which motor fuel is distributed, and where motor fuel is taxed. EPA has the legal authority to make this change to the program without Congressional action, and should do so. Thank you for your consideration of my request and I look forward to working with you regarding this matter.

Sincerely,



Robert P. Casey, Jr.
United States Senator

